

Seattle Eases Into It

November 2025

Asking Rent Growth Trails US

Investment Volume Hits \$2.8B

Occupancy Inches Up, Deliveries Slow

SEATTLE MULTIFAMILY



Rents Slide, Occupancy Inches Up

At the end of 2025's third quarter, Seattle's multifamily fundamentals were steady. Average advertised asking rents declined 0.3% to \$2,231, on a trailing three-month basis through September, below the U.S. rate, which edged down 0.1% to \$1,750. The occupancy rate in stabilized properties ticked up 10 basis points year-over-year to 95.5% in August, aided by a boost in the Lifestyle segment.

Employment growth slowed to 0.8 percent year-over-year as of July, matching the U.S. figure, while unemployment rose to 4.6% in August, up 50 basis points year-to-date and trailing the state (4.5%) and the nation (4.3%). Employers added 16,900 net jobs over the year, with gains across six sectors led by education and health services (12,600 jobs) and leisure and hospitality (5,000). Several projects are driving activity in the area. Two towers at Bellevue 600 are slated for delivery in 2025, while 1.3 million square feet of office space is underway at Spring District's third phase.

Developers delivered 7,074 units in 2025 through September and had another 15,464 underway, with the volume of construction starts slightly below the corresponding period in 2024. Investment volume picked up, reaching \$2.8 billion in 2025 through September. The average price per unit rose 11.8% year-to-date to \$352,962 in September, while the U.S. rate rose 8.3%, to \$209,188.

Market Analysis | November 2025

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Recent Seattle Transactions

The Danforth



City: Seattle
Buyer: Kennedy Wilson
Purchase Price: \$173 MM
Price per Unit: \$652,830

The Ardent at Mill Creek



City: Mill Creek, Wash.
Buyer: PGIM Real Estate
Purchase Price: \$168 MM
Price per Unit: \$295,439

Brackett



City: Edmonds, Wash.
Buyer: Waterton
Purchase Price: \$124 MM
Price per Unit: \$321,244

Arrive Magnolia

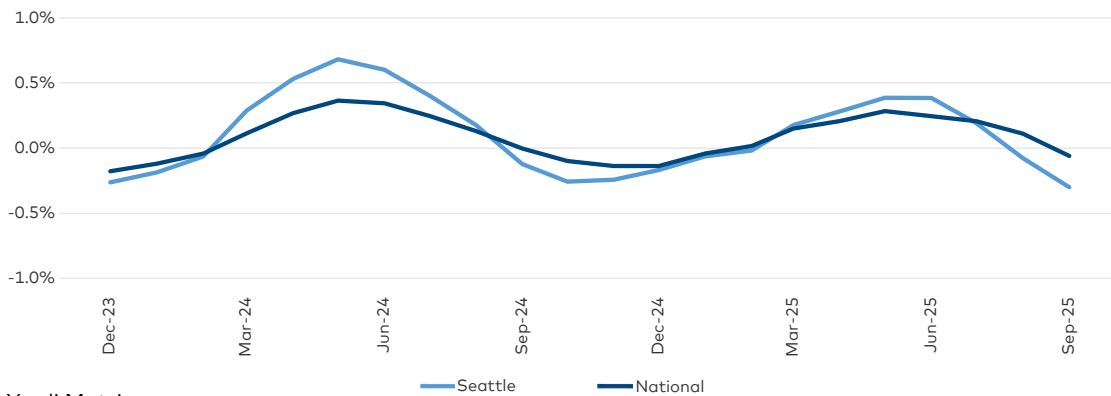


City: Seattle
Buyer: FPA Multifamily
Purchase Price: \$106 MM
Price per Unit: \$313,524

RENT TRENDS

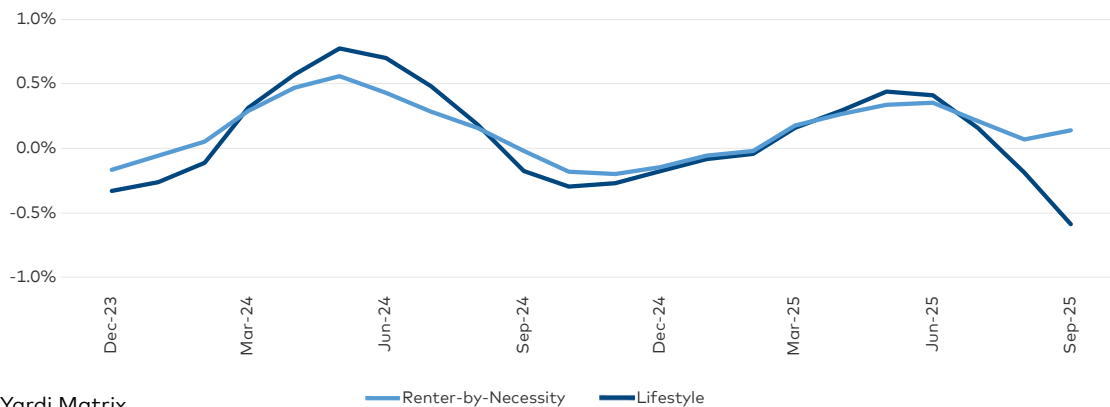
- ▶ Seattle's average advertised asking rents were down 0.3% to \$2,231, on a trailing three-month (T3) basis in September, underperforming the U.S., which slid 0.1% to \$1,750. Momentum cooled in late summer after modest T3 gains in the spring, while on a year-over-year basis, rent growth was also moderate, up 0.3% and 30 basis points slower than the U.S. rate.
- ▶ The decline in advertised asking rents was caused by a drop in the Lifestyle segment, down 0.6% on a T3 basis to \$2,474 in September, contracting for the second straight month. Renter-by-Necessity rents maintained a 0.1% increase, to \$1,893.
- ▶ The occupancy rate in stabilized properties inched up 0.1% year-over-year in August, to 95.5%. Lifestyle occupancy's 20-basis-point increase to 95.6% offset RBN's 10-basis-point decline to 95.4%.
- ▶ On a year-over-year basis as of September, rents rose in 32 of the 53 submarkets tracked by Yardi Matrix, stayed flat in three and declined in 17. Rent increases were recorded in the top four priciest submarkets, led by Bellevue–West (0.8% to \$3,102), Issaquah (1.5% to \$2,826) and Belltown (0.5% to \$2,792). The steepest declines were registered in Thrashers Corner (-4.0% to \$2,269), Woodinville/Totem Lake (-3.0% to \$2,502) and Juanita (-2.7% to \$2,403).
- ▶ Seattle's SFR/BTR sector outperformed multi-family, with year-over-year rents up \$3.1% to \$3,252 in September and occupancy up 1.8% to 96.5% in August.

Seattle vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Seattle Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- ▶ Seattle's employment growth decelerated to 0.8% year-over-year as of July, matching the U.S. rate after outperforming it for eight months. Unemployment in the metro rose to 4.6% in August, trailing both the state (4.5%) and the nation (4.3%).
- ▶ Seattle employers added 16,900 net jobs year-over-year through July. Gains were sustained by six sectors, led by education and health services (12,600 jobs), leisure and hospitality (5,000) and other services (3,000). Another three sectors lost 9,300 jobs combined, with the steepest drops recorded in manufacturing (-5,300) and mining, logging and construction (-3,900), while government remained flat.
- ▶ Bellevue was one of Seattle's most active sub-markets. Major projects underway include Bellevue 600, which is slated for completion this year. The development features two towers—43 and 31 stories—and will add more than 1.5 million square feet of office space.
- ▶ Another project is the \$2.3 billion, 36-acre Spring District redevelopment project. Under construction since 2013, the masterplan reached its third phase, which includes 1.3 million square feet of office space. Once this phase is finalized, the Spring District will comprise more than 3.3 million square feet across 19 buildings, ranging from three to 12 stories.

Seattle Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	264.4	13.5%
70	Leisure and Hospitality	195.5	10.0%
80	Other Services	67.9	3.5%
40	Trade, Transportation and Utilities	313.5	16.0%
50	Information	137.9	7.0%
60	Professional and Business Services	360.4	18.4%
90	Government	256	13.1%
55	Financial Activities	91.4	4.7%
15	Mining, Logging and Construction	110.6	5.6%
30	Manufacturing	163.4	8.3%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- ▶ Seattle's population growth was strong over the decade ending in 2022, up by 14.2% and more than double the 6.3% U.S. rate.
- ▶ Gains softened to 0.8% year-over-year in 2022 but remained above the 0.4% national rate.

Seattle vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Seattle Metro	3,871,323	3,928,498	3,971,125	4,001,701

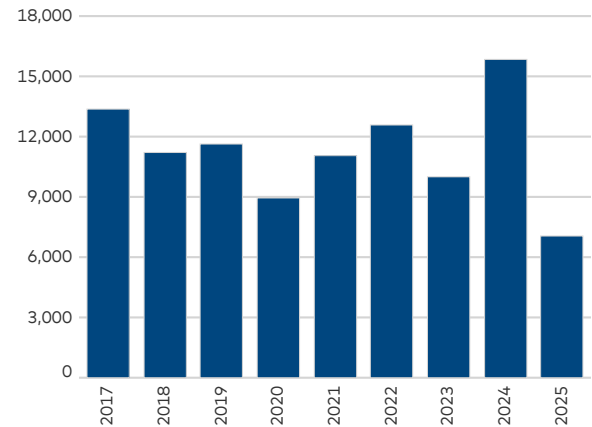
Source: U.S. Census

SUPPLY

- ▶ Seattle deliveries totaled 7,074 units in 2025 through September, representing 2.2% of existing stock, in line with the national rate but below the metro's 4.0% annual average over the last decade. About three-quarters of completions were Lifestyle units, while RBN stock accounted for 7.6% and fully affordable for 19.7%.
- ▶ The construction pipeline remained robust with 15,464 units underway as of September, and another 104,000 in the planning and permitting stages. Lifestyle's share was 66.8%, RBN's 7.3% and fully affordable accounted for 26.0%.
- ▶ New construction remained elevated, with starts totaling 4,262 units across 19 properties in 2025 through September, not far behind the 4,671 units across 26 properties that broke ground during the same period in 2024. Seatac (644 units), Marysville/Monroe (601) and Lynnwood (434) led construction starts in 2025 through September.
- ▶ Developers were active in 31 of the 53 sub-markets tracked by Yardi Matrix. Four sub-markets accounted for more than one-third of the units underway—Bellevue (1,592 units), Shoreline (1,476), Marysville/Monroe (1,260) and Woodinville/Totem Lake (1,243).

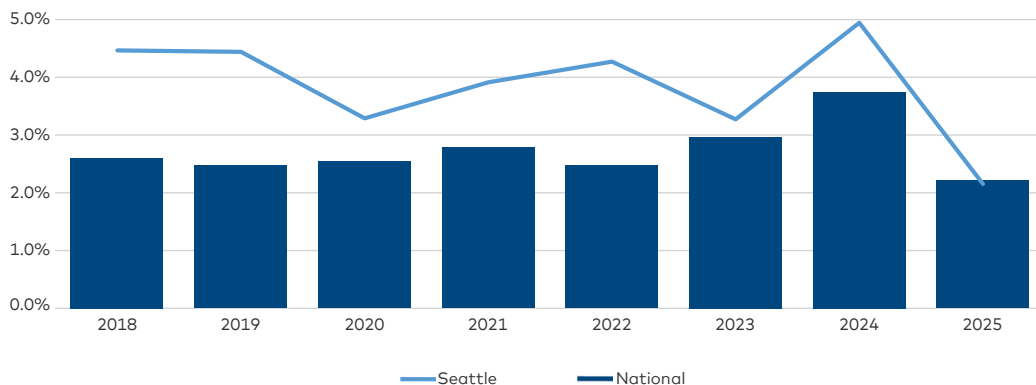
- ▶ The largest project delivered in 2025 through September was a mixed-use, partially affordable, Lifestyle property with 623 units and 33,000 square feet of retail space. Owned by a joint venture between Legacy Partners and Lionstone Investments, the development was built with aid from two construction loans totaling \$204 million—\$97 million originated by Citizens Financial Group in 2021 and \$107 million originated by New York Life Insurance Co. in 2022.

Seattle Completions (as of September 2025)



Source: Yardi Matrix

Seattle vs. National Completions as a Percentage of Total Stock (as of September 2025)

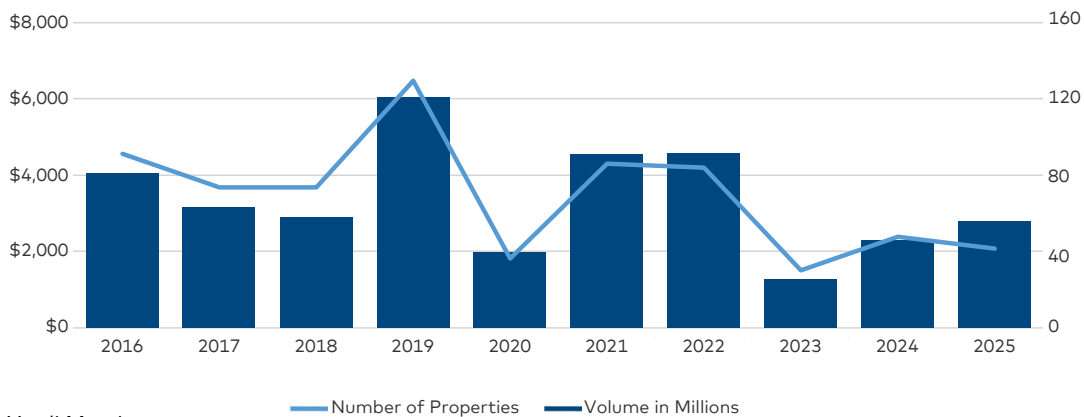


Source: Yardi Matrix

TRANSACTIONS

- ▶ Investment activity strengthened in Seattle, totaling \$2.8 billion in 2025 through September, outpacing 2024's total volume of \$2.3 billion, while moving closer to 2023's \$4.3 billion total.
- ▶ Investor interest was balanced across asset classes, with 23 Lifestyle and 21 RBN trades. The average price per unit rose 11.8% compared to last year's rate, at \$352,962 in September, nearing the peaks registered in 2022 (\$390,992) and 2021 (\$363,110). Meanwhile, the national average increased 8.3% to \$209,188, closing in on the \$209,327 peak recorded in 2022.
- ▶ More than a quarter of the properties that traded in 2025 through September had sale prices above the \$100 million mark. Among these was the \$173 million transaction (\$652,830 per unit) between buyers Kennedy Wilson, Hulic and Kenedix and seller Vanbarton Group. The sale was aided by a \$112 million loan issued by Prudential Financial. The 265-unit property had previously traded in 2019 for \$209 million.

Seattle Sales Volume and Number of Properties Sold (as of September 2025)



Source: Yardi Matrix

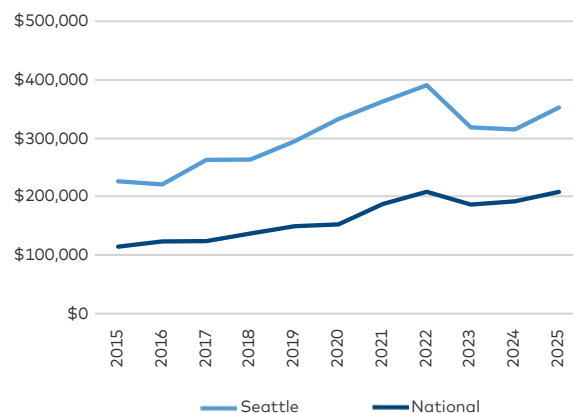
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Redmond	730
Belltown	300
First Hill	244
Ballard	226
Bellevue-West	226
Queen Anne	216
Woodinville/Totem Lake	192

Source: Yardi Matrix

¹ From October 2024 to September 2025

Seattle vs. National Sales Price per Unit



Source: Yardi Matrix

Top 10 Markets for Multifamily Transactions in H1 2025

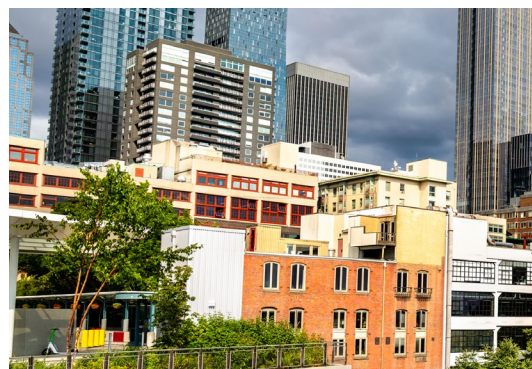
By Vicentiu Fusea

The U.S. multifamily sector saw a slight uptick in transaction and investment volume in the first half of 2025, following a sluggish performance in 2024. Although the figures haven't significantly improved, investor sentiment is becoming more optimistic due to a drop in interest rates and signs of stabilization in the sector. Here are the top 10 markets for multifamily investment in the country in the first half of 2025.

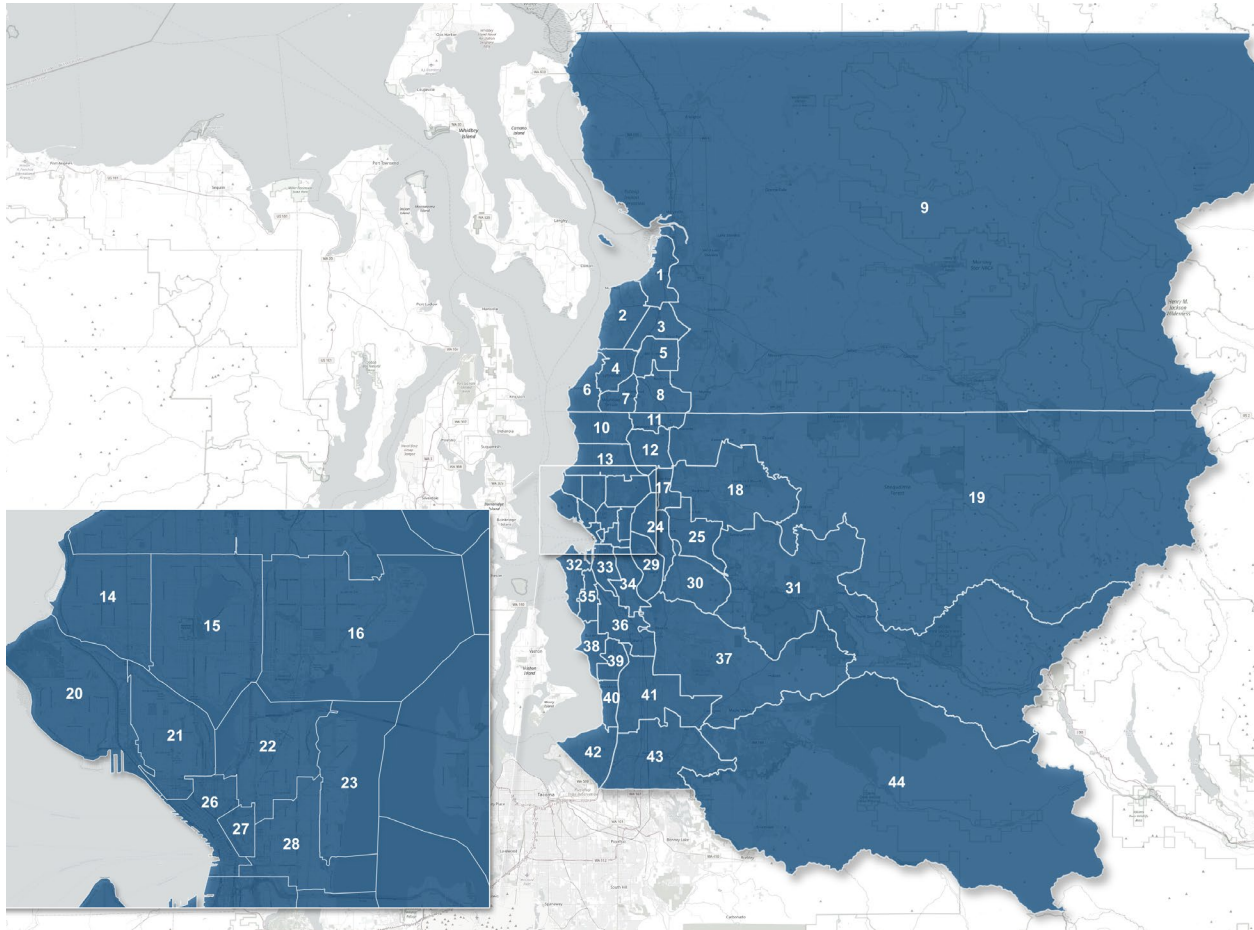
Rank	Market	Sales Volume H1 2025 (Millions)	Sales Volume H1 2024 (Millions)	Properties Traded H1 2025
1	Phoenix	\$1,853	\$1,789	31
2	Seattle	\$1,776	\$602.0	23
3	Atlanta	\$1,657	\$1,491	44
4	Dallas	\$1,608	\$1,219	91
5	Chicago	\$1,362	\$785.3	39
6	Denver	\$1,170	25	19
7	Los Angeles	\$970.7	\$932.7	24
8	Houston	\$960.0	\$1,004	63
9	Portland, Ore.	\$644.8	\$295.2	23
10	Kansas City, Mo.	\$304.8	\$135.1	22

Seattle

Seattle's multifamily investment volume reached almost \$1.8 billion year-to-date as of June, almost three times the \$602 million registered during the same time frame of 2024. This marked the largest year-over-year increase among the top 10 markets. A total of 23 properties—4,718 apartments—changed hands in the first six months of this year, a slight increase from the 19 assets—2,357 units—that traded during the same period of the previous year.



SEATTLE SUBMARKETS



Area No.	Submarket
1	Central Everett
2	Paine Field
3	Silver Lake
4	Lynnwood
5	Mill Creek
6	Edmonds
7	Mountlake Terrace
8	Thrashers Corner
9	Marysville/Monroe
10	Shoreline
11	Bothell
12	Juanita
13	North Seattle
14	Ballard
15	Greenlake/Wallingford

Area No.	Submarket
16	University
17	Kirkland
18	Redmond
19	Woodinville/Totem Lake
20	Magnolia
21	Queen Anne
22	Capitol Hill/Eastlake
23	Madison/Leschi
24	Bellevue-West
25	Bellevue-East
26	Belltown
27	First Hill
28	Central
29	Mercer Island
30	Factoria

Area No.	Submarket
31	Issaquah
32	West Seattle
33	Beacon Hill
34	Rainier Valley
35	White Center
36	Riverton/Tukwila
37	Renton
38	Burien
39	Seatac
40	Des Moines
41	Kent
42	Federal Way
43	Auburn
44	Enumclaw

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

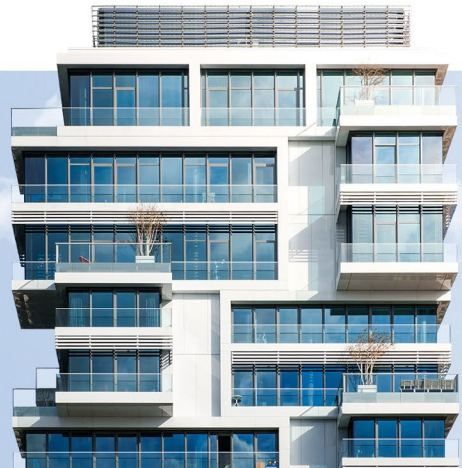
The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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